£2.5 million Common Share Offering

Calgary, Canada, October 2, 2017 - Canadian Overseas Petroleum Limited (the "**Company**") (TSXV: XOP) (LSE: COPL), is pleased to announce an offering of common shares in the capital of the Company to raise gross proceeds of £2.5 million (the "**Placing**"), pursuant to which the Company will issue 250,000,000 new common shares ("**Placing Shares**") to UK investors at a price of 1 penny (£0.01) per Placing Share.

The Company intends to use the net proceeds of the Placing to fund the Company's on-going general and administrative expenses which principally covers a full technical team including geologists, a geophysicist, reservoir engineers, a drilling engineer and in-house counsel, which are approximately US$410,000 per month, as the Company seeks to progress its projects in West Africa.

The Company's other financial commitments for the 12 month period, following the publication of the Company's Prospectus approved by the UK Listing Authority dated 8 June 2017, include 50% of the costs relating to Shoreline Canadian Overseas Petroleum Development Corporation's ("**ShoreCan**") commitment to invest funds in the form of an interest-free shareholder loan to be used for its 80% owned Essar Exploration and Production Limited (Nigeria) ("**Essar**") operations. As previously announced the Company has engaged COFARCO SAS of Paris France and Zeus Capital of London United Kingdom to source the required funds at the project level and is making encouraging progress towards securing funds for its appraisal and development project at OPL 226, offshore Nigeria. The Company remains confident that it will meet the target to drill an appraisal well in late 2017 or early 2018 with a subsequent Early Production Scheme being put in place shortly after.

The Placing is subject to customary conditions and the receipt of required regulatory approvals, including the approval of the London Stock Exchange plc ("**London Stock Exchange**") and the TSX Venture Exchange (the "**TSX-V**"). An application is being made to the ***Financial Conduct Authority*** ("**FCA**") for the Placing Shares to be admitted to the standard listing segment of the Official List maintained by the FCA, and to trading on the London Stock Exchange's main market for listed securities and are expected to be admitted to trading on 16 October 2017.

Following the issue of the Placing Shares, the Company will have 1,523,139,350 common shares in the capital of the Company (the "**Common Shares**").

Arthur Millholland, President & CEO, commented: "This Placing will strengthen our Balance Sheet while we concurrently work towards finalising the project financing, operations program and plan for our OPL 226 project offshore Nigeria."

About the Company:

The Company is an international oil and gas exploration and development company focused in offshore West Africa.

The Company is actively pursuing opportunities in Nigeria in partnership with Shoreline Energy as part of its strategy to generate stable cash flow from secure offshore assets. The Company and Shoreline, through their jointly held affiliated company Shoreline Canadian Overseas Petroleum Development Corporation ("ShoreCan"), has acquired 80% of the share capital, and has taken over the management, of Essar Exploration and Production Limited (Nigeria) ("Essar"). Essar holds an attractive oil appraisal and development project in shallow to mid-water offshore Nigeria on its 100% holding in OPL 226. Drilling of the first appraisal well is planned to commence in late 2017. ShoreCan is currently waiting for final approval from the Government of Nigeria for the acquisition.

ShoreCan is building a portfolio of exploration and development assets in sub-Saharan Africa. To date, ShoreCan has taken a position in Nigeria. It continues to evaluate a variety of additional assets in Nigeria, Mozabique and Equatorial Guinea.

The Common Shares are listed under the symbol "XOP" on the TSXV and under the symbol "COPL" on the London Stock Exchange.

For further information, please contact:

Mr. Arthur Millholland, President & CEO
Canadian Overseas Petroleum Limited
Tel: + 1 (403) 262 5441

Cathy Hume
CHF Investor Relations
Tel: +1 (416) 868 1079 ext. 231
Email: cathy@chfir.com

Harriet Jackson/Charles Goodwin

Yellow Jersey PR
Tel: +44 (0) 75 4427 5882
Email: copl@yellowjerseypr.com

Broker: London Stock Exchange
Shore Capital Stockbrokers Limited
Edward Mansfield
Phone: T: +44 20 7468 7906

This news release contains forward-looking statements. The use of any of the words "initial, "scheduled", "can", "will", "prior to", "estimate", "anticipate", "believe", "should", "forecast", "future", "continue", "may", "expect", and similar expressions are intended to identify forward-looking statements. The forward-looking statements contained herein are based on certain key expectations and assumptions made by the Company, including, but not limited to, the ability to raise the necessary funding for operations, delays or changes in plans with respect to exploration or development projects or capital expenditures. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements since the Company can give no assurance that they will prove to be correct since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties most of which are beyond the control of Canadian Overseas Petroleum Ltd. For example, the uncertainty of reserve estimates, the uncertainty of estimates and projections relating to production, cost overruns, health and safety issues, political and environmental risks, commodity price and exchange rate fluctuations, changes in legislation affecting the oil and gas industry could cause actual results to vary materially from those expressed or implied by the forward-looking information. Forward-looking statements contained in this news release are made as of the date hereof and Canadian Overseas Petroleum undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.